

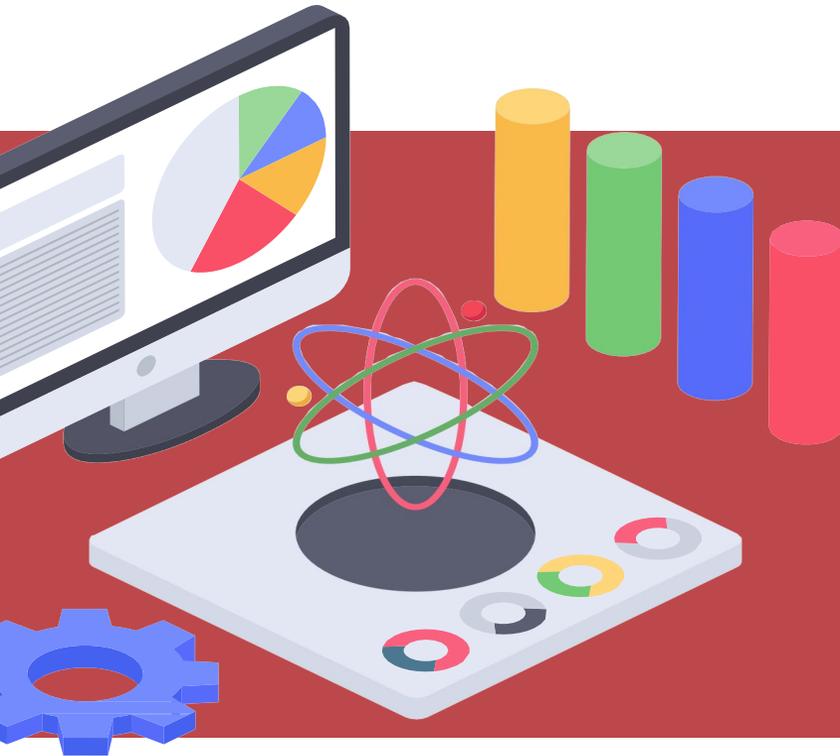
Risk Impact and Mitigation Approach: Best Practices in Indonesian Capital Market



Bali, June 20th, 2023

PT Kliring Penjaminan Efek Indonesia

AGENDA



1. About KPEI

2. Default Management

3. Recovery

4. Resolution

About KPEI

KPEI as an CCP carries out clearing and guarantees for the settlement of stock exchange transactions.

The clearing activity referred to determine the rights and obligations of exchange transactions, of each Clearing Member (CM) which must be completed on the settlement date (T+2).

Guarantee settlement of stock exchange transactions is carried out by providing legal certainty for the fulfillment of rights and obligations for CM arising from exchange transactions.

KPEI's Rules

FSA Regulation No. 26/POJK.04.2014 - Exchange Transaction Settlement Guarantee.

About



iDClear

Kliring Penjaminan Efek Indonesia





AGENDA 2

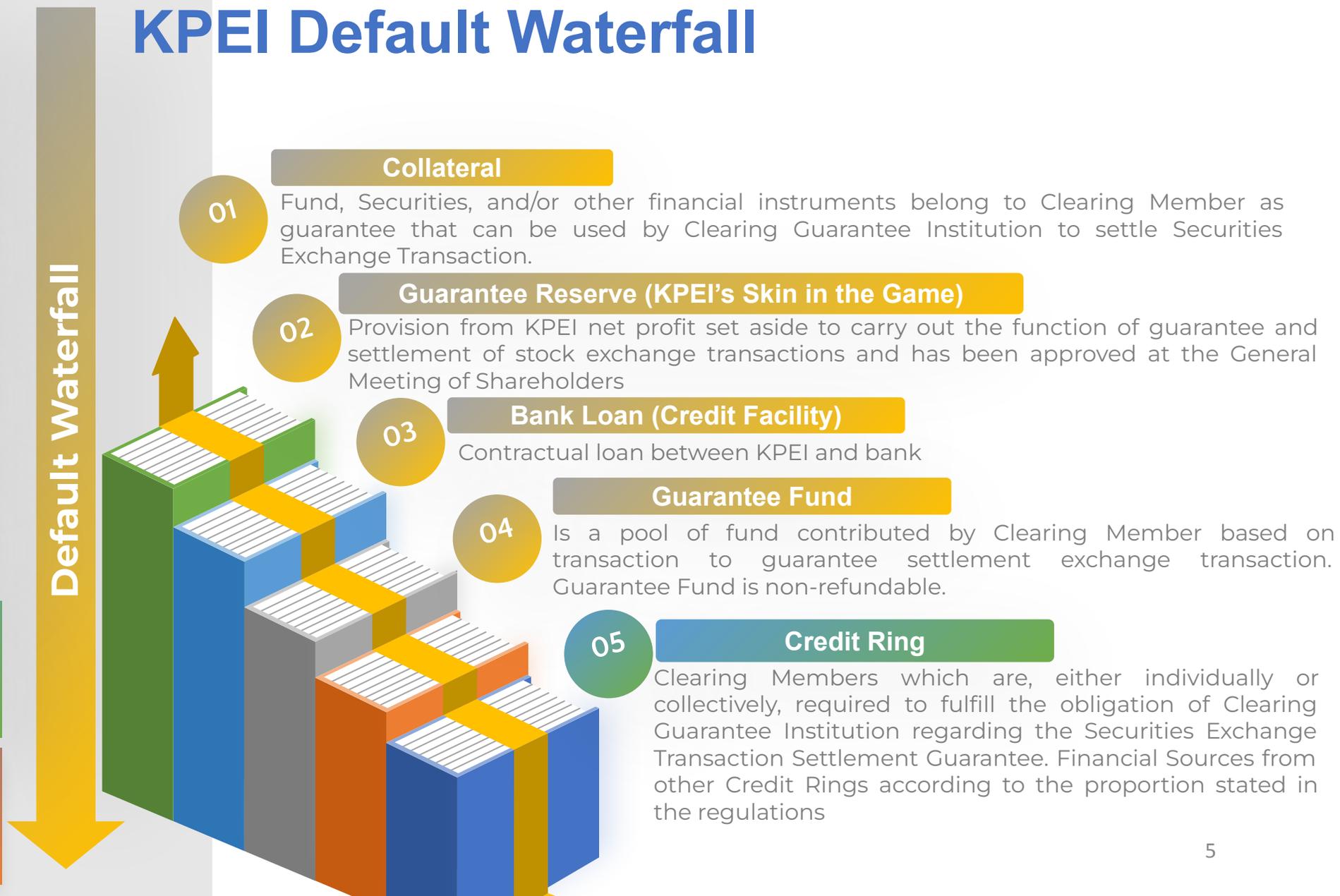
Default Management

31 May 2023

Default Management



KPEI Default Waterfall



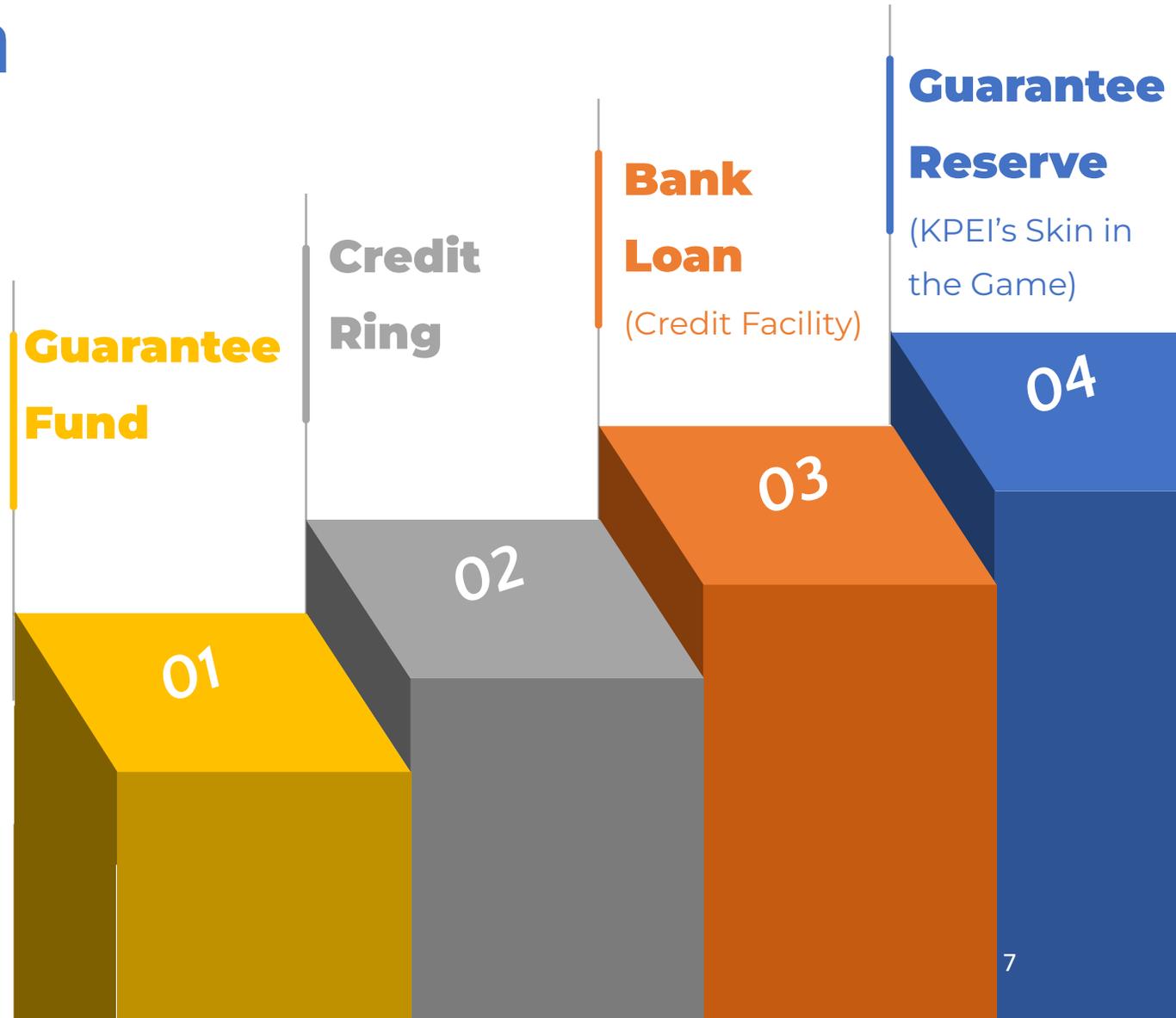


AGENDA 3

Recovery

Process of Repayment of Financial Sources from Clearing Member

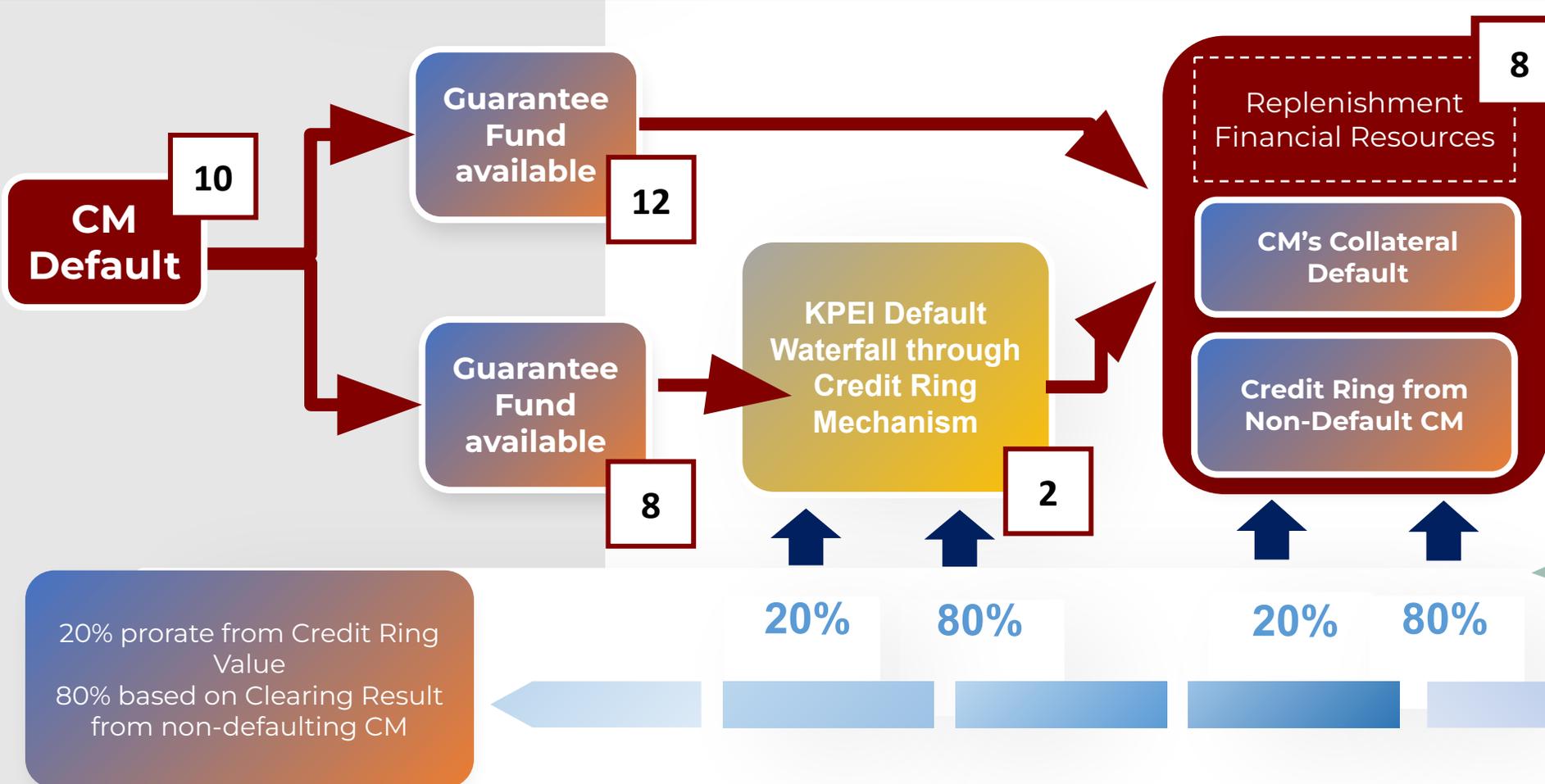
In accordance with FSA Regulation No. 26/POJK.04/2014 Chapter IV Article 23 Clause (3), then the order of repayment of financial sources must be conducted in accordance with the following priority order:



Credit Ring Mechanism

FSA Regulation No. 26/POJK.04/2014 (Article 21 Clause 2)

Credit Ring mechanism is carried out since day 1 of the default until guarantee fund is fulfilled by Defaulting Clearing member and Credit Ring.



- FSA Regulation No. 26/POJK.04/2014 Article 21 Number 2 Letter d
- FSA Regulation No. 26/POJK.04/2014 Article 21 Number 3
- FSA Regulation No. 26/POJK.04/2014 Article 24





AGENDA 3

Resolution

KPEI's Proposal for Resolution

Law Number 4 of 2023 concerning Financial Sector Development and Strengthening

KPEI (CCP) is part of the Financial Infrastructure



KPEI as CCP will enter into the Resolution Regime for the Capital Market as well as Financial Market (if the CCP Derivative is implemented)



The authorized institutions for the Resolution Regime:



CCP

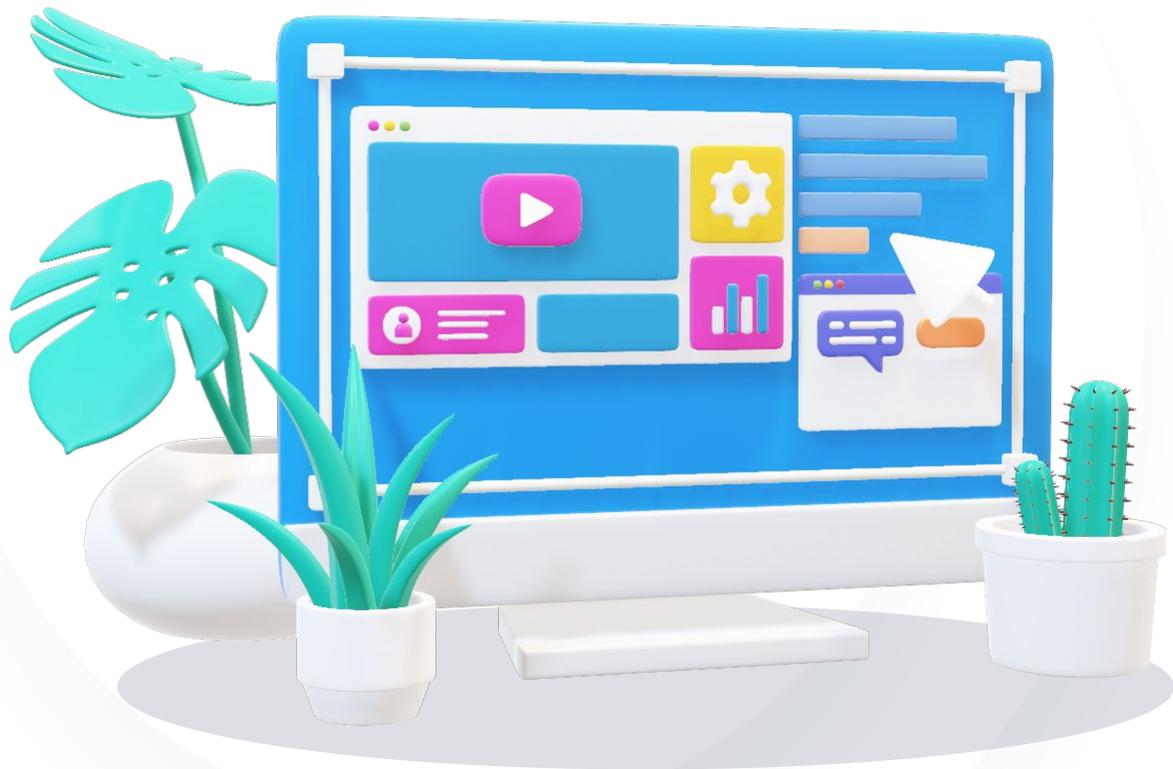
Banking

IFSA (OJK)

IDIC (LPS)

- ❑ IFSA asked shareholders to increase capital
- ❑ IFSA revoked the business license and dissolved the CCP according to the mechanism set out in the POJK





 Thank you

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